

**Assembly Bill No. 478**

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Passed the Assembly September 11, 2013

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*Chief Clerk of the Assembly*

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Passed the Senate September 6, 2013

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*Secretary of the Senate*

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This bill was received by the Governor this \_\_\_\_\_ day  
of \_\_\_\_\_, 2013, at \_\_\_\_\_ o'clock \_\_\_\_M.

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*Private Secretary of the Governor*

## CHAPTER \_\_\_\_\_

An act to amend Section 22871.8 of, and to add Sections 12440.3, 12440.4, and 12440.5 to, the Government Code, relating to state employees, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

## LEGISLATIVE COUNSEL'S DIGEST

AB 478, Gomez. State employees: memorandum of understanding.

Existing law provides that a provision of a memorandum of understanding reached between the state employer and a recognized employee organization representing state civil service employees that requires the expenditure of funds does not become effective unless approved by the Legislature in the annual Budget Act.

This bill would approve provisions of memoranda of understanding entered into between the state employer and California Correctional Peace Officer Association, State Bargaining Unit 6; California State Law Enforcement Association, State Bargaining Unit 7; Professional Engineers in California Government, State Bargaining Unit 9; International Union of Operating Engineers, State Bargaining Unit 12; Union of American Physicians and Dentists, State Bargaining Unit 16; California Association of Psychiatric Technicians, State Bargaining Unit 18; and American Federation of State, County, and Municipal Employees (AFSCME), and State Bargaining Unit 19, that require the expenditure of funds, and would provide that these provisions will become effective even if these provisions are approved by the Legislature in legislation other than the annual Budget Act.

The bill would provide that provisions of the memorandum of understanding approved by this bill that require the expenditure of funds will not take effect unless funds for those provisions are specifically appropriated by the Legislature, and would require the state employer and the affected employee organization to meet and confer to renegotiate the affected provisions if funds for those provisions are not specifically appropriated by the Legislature.

The bill would appropriate funds for expenditure in the 2013–14 fiscal year in augmentation of, and for the purpose of, state

employee compensation, as provided in the Budget Act of 2013, in accordance with a specified schedule, from the General Fund, unallocated special funds, and other unallocated nongovernmental cost funds. The bill would also appropriate to the Controller from the General Fund, unallocated special funds, including, but not limited to, federal funds and unallocated nongovernmental cost funds, and any other fund from which state employees are compensated, in the amount necessary for the payment of compensation and employee benefits to state employees for work performed between July 1 and the enactment of the Budget Act in the 2014–15, 2015–16, and 2016–17 fiscal years if the Budget Act is not enacted on or before July 1 in those fiscal years.

Existing law provides that the employer contribution for each employee in State Bargaining Units 16 and 19 shall be an amount equal to 85% of the weighted average of the basic health benefit plan premium for an active state civil service employee, as specified.

This bill would instead provide that, beginning January 1, 2007, the employer contribution for each employee shall be an amount equal to 80% of the weighted average of the basic health benefit plan premium for an active state civil service employee enrolled for self alone, as specified.

This bill would declare that it is to take effect immediately as an urgency statute.

Appropriation: yes.

*The people of the State of California do enact as follows:*

SECTION 1. The Legislature finds and declares that the purpose of this act is to approve an agreement pursuant to Section 3517.5 of the Government Code entered into by the state employer and State Bargaining Units 6, 7, 12, 16, 18, and 19.

SEC. 2. The provisions of the memorandum of understanding prepared pursuant to Section 3517.5 of the Government Code and entered into by the state employer and California Correctional Peace Officer Association, State Bargaining Unit 6, on August 20, 2013; California State Law Enforcement Association, State Bargaining Unit 7, on August 25, 2013; Professional Engineers in California Government, State Bargaining Unit 9, on August 30, 2013, International Union of Operating Engineers, State Bargaining

Unit 12, on August 9, 2013; Union of American Physicians and Dentists, State Bargaining Unit 16, on July 18, 2013; California Association of Psychiatric Technicians, State Bargaining Unit 18, on July 9, 2013; and American Federation of State, County, and Municipal Employees (AFSCME), State Bargaining Unit 19, on August 7, 2013, that require the expenditure of funds are hereby approved for the purposes of subdivision (b) of Section 3517.6 of the Government Code.

SEC. 3. The provisions of the memoranda of understanding approved in Section 2 of this act that are scheduled to take effect on or after July 1, 2013, and that require the expenditure of funds, shall not take effect unless funds for those provisions are specifically appropriated by the Legislature. If the Legislature does not approve or fully fund any provision of a memorandum of understanding approved in Section 2 of this act that requires the expenditure of funds, either party to the memorandum may reopen negotiations on all or part of the memorandum of understanding.

SEC. 4. Notwithstanding Section 3517.6 of the Government Code, the provisions of the memorandum of understanding approved in Section 2 that require the expenditure of funds shall become effective even if the provisions of the memorandum of understanding are approved by the Legislature in legislation other than the annual Budget Act.

SEC. 5. (a) The sum of fourteen million eight hundred forty-nine thousand dollars (\$14,849,000) is hereby appropriated for State Bargaining Unit 6 for expenditure in the 2013–14 fiscal year in augmentation of, and for the purpose of, state employee compensation, as provided in items 9800-001-0001, 9800-001-0494, and 9800-001-0988 of Section 2.00 of the Budget Act of 2013 (Chapter 20 of the Statutes of 2013) in accordance with the following schedule:

(1) Fourteen million seven hundred forty-six thousand dollars (\$14,746,000) from the General Fund in augmentation of Item 9800-001-0001.

(2) Sixty-nine thousand dollars (\$69,000) from unallocated special funds in augmentation of Item 9800-001-0494.

(3) Thirty-four thousand dollars (\$34,000) from other unallocated nongovernmental cost funds in augmentation of Item 9800-001-0988.

(b) The sum of one million eighty-four thousand dollars (\$1,084,000) is hereby appropriated for State Bargaining Unit 7 for expenditure in the 2013–14 fiscal year in augmentation of, and for the purpose of, state employee compensation, as provided in items 9800-001-0001, 9800-001-0494, and 9800-001-0988 of Section 2.0 of the Budget Act of 2013 (Chapter 20 of the Statutes of 2013) in accordance with the following schedule:

(1) Three hundred twenty thousand dollars (\$320,000) from the General Fund in augmentation of Item 9800-001-0001.

(2) Five hundred twelve thousand dollars (\$512,000) from unallocated special funds in augmentation of Item 9800-001-0494.

(3) Two hundred fifty-two thousand dollars (\$252,000) from other unallocated nongovernmental cost funds in augmentation of item 9800-001-0988.

(c) The sum of one million five hundred ninety-seven thousand dollars (\$1,597,000) is hereby appropriated for State Bargaining Unit 12 for expenditure in the 2013–14 fiscal year in augmentation of, and for the purpose of, state employee compensation as provided in items 9800-001-0001, 9800-001-0494, and 9800-001-0988 of Section 2.0 of the Budget Act of 2013 (Chapter 20 of the Statutes of 2013) in accordance with the following schedule:

(1) Five hundred sixteen thousand dollars (\$516,000) from the General Fund in augmentation of Item 9800-001-0001.

(2) Seven hundred twenty-four thousand dollars (\$724,000) from unallocated special funds in augmentation of Item 9800-001-0494.

(3) Three hundred fifty-seven thousand dollars (\$357,000) from other unallocated nongovernmental cost funds in augmentation of Item 9800-001-0988.

(d) The sum of one million five thousand dollars (\$1,005,000) is hereby appropriated for State Bargaining Unit 18 for expenditure in the 2013–14 fiscal year in augmentation of, and for the purpose of, state employee compensation as provided in items 9800-001-0001, 9800-001-0494, and 9800-001-0988 of Section 2.0 of the Budget Act of 2013 (Chapter 20 of the Statutes of 2013) in accordance with the following schedule:

(1) Nine hundred twenty-four thousand dollars (\$924,000) from the General Fund in augmentation of Item 9800-001-0001.

(2) Fifty-four thousand dollars (\$54,000) from unallocated special funds in augmentation of Item 9800-001-0494.

(3) Twenty-seven thousand dollars (\$27,000) from other unallocated nongovernmental cost funds in augmentation of Item 9800-001-0988.

(e) The sum of three thousand dollars (\$3,000) is hereby appropriated for State Bargaining Unit 19 for expenditure in the 2013–14 fiscal year in augmentation of, and for the purpose of, state employee compensation as provided in items 9800-001-0001, 9800-001-0494, and 9800-001-0988 of Section 2.00 of the Budget Act of 2013, (Chapter 20 of the Statutes of 2013) in accordance with the following schedule:

(1) Three thousand dollars (\$3,000) from the General Fund in augmentation of Item 9800-001-0001.

(2) Zero dollars (\$0) from unallocated special funds in augmentation of Item 9800-001-0494.

(3) Zero dollars (\$0) from other unallocated nongovernmental cost funds in augmentation of Item 9800-001-0988.

SEC. 6. Section 12440.3 is added to the Government Code, to read:

12440.3. (a) Notwithstanding Section 13340, for the 2014–15 fiscal year, if the Budget Act of 2014 is not enacted on or before July 1, 2014, for the memoranda of understanding entered into between the state employer and State Bargaining Units 7, 16, 18, and 19 (effective July 1, 2013, to July 1, 2016, inclusive), State Bargaining Unit 9 (effective July 2, 2013, to July 1, 2015, inclusive), and State Bargaining Units 6 and 12 (effective July 1, 2013, to July 1, 2015, inclusive), there is hereby continuously appropriated to the Controller from the General Fund, unallocated special funds, including, but not limited to, federal funds and unallocated nongovernmental cost funds, and any other fund from which state employees are compensated, the amount necessary for the payment of compensation and employee benefits to state employees covered by the above memoranda of understanding until the Budget Act of 2014 is enacted. The Controller may expend an amount no greater than necessary to enable the Controller to compensate state employees covered by the above memoranda of understanding for work performed between July 1, 2014, of the 2014–15 fiscal year, and the enactment of the Budget Act of 2014.

(b) If the memoranda of understanding entered into between the state employer and State Bargaining Units 7, 16, 18, and 19 (effective July 1, 2013, to July 1, 2016, inclusive), State Bargaining Unit 9 (effective July 2, 2013, to July 1, 2015, inclusive), and State Bargaining Units 6 and 12 (effective July 1, 2013, to July 1, 2015, inclusive) are in effect and approved by the Legislature, the compensation and contribution for employee benefits for state employees represented by these bargaining units shall be at a rate consistent with the applicable memorandum of understanding referenced above.

(c) Expenditures related to any warrant drawn pursuant to subdivision (a) are not augmentations to the expenditure authority of a department. Upon the enactment of the Budget Act of 2014, these expenditures shall be subsumed by the expenditure authority approved in the Budget Act of 2014 for each affected department.

(d) This section shall only apply to an employee covered by the terms of State Bargaining Units 7, 16, 18, and 19 (effective July 1, 2013, to July 1, 2016, inclusive), State Bargaining Unit 9 (effective July 2, 2013, to July 1, 2015, inclusive), and State Bargaining Units 6 and 12 (effective July 1, 2013, to July 1, 2015, inclusive) memoranda of understanding. Notwithstanding Section 3517.8, this section shall not apply after the term of the memoranda of understanding have expired. For purposes of this section, the memoranda of understanding for State Bargaining Units 7, 16, 18, and 19 expire on July 1, 2016, and the memoranda of understanding for State Bargaining Units 6, 9, and 12 expire on July 1, 2015.

SEC. 7. Section 12440.4 is added to the Government Code, to read:

12440.4. (a) Notwithstanding Section 13340, for the 2015–16 fiscal year, if the Budget Act of 2015 is not enacted on or before July 1, 2015, for the memoranda of understanding entered into between the state employer and State Bargaining Units 7, 16, 18, and 19 (effective July 1, 2013, to July 1, 2016, inclusive), State Bargaining Unit 9 (effective July 2, 2013, to July 1, 2015, inclusive), and State Bargaining Units 6 and 12 (effective July 1, 2013, to July 1, 2015, inclusive), there is hereby continuously appropriated to the Controller from the General Fund, unallocated special funds, including, but not limited to, federal funds and unallocated nongovernmental cost funds, and any other fund from which state employees are compensated, the amount necessary for

the payment of compensation and employee benefits to state employees covered by the above memoranda of understanding until the Budget Act of 2015 is enacted. The Controller may expend an amount no greater than necessary to enable the Controller to compensate state employees covered by the above memoranda of understanding for work performed between July 1, 2015, of the 2015–16 fiscal year, and the enactment of the Budget Act of 2015.

(b) If the memoranda of understanding entered into between the state employer and State Bargaining Units 7, 16, 18, and 19 (effective July 1, 2013, to July 1, 2016, inclusive), State Bargaining Unit 9 (effective July 2, 2013, to July 1, 2015, inclusive), and State Bargaining Units 6 and 12 (effective July 1, 2013, to July 1, 2015, inclusive) are in effect and approved by the Legislature, the compensation and contribution for employee benefits for state employees represented by these bargaining units shall be at a rate consistent with the applicable memorandum of understanding referenced above.

(c) Expenditures related to any warrant drawn pursuant to subdivision (a) are not augmentations to the expenditure authority of a department. Upon the enactment of the Budget Act of 2015, these expenditures shall be subsumed by the expenditure authority approved in the Budget Act of 2015 for each affected department.

(d) This section shall only apply to an employee covered by the terms of State Bargaining Units 7, 16, 18, and 19 (effective July 1, 2013, to July 1, 2016, inclusive), State Bargaining Unit 9 (effective July 2, 2013, to July 1, 2015, inclusive), and State Bargaining Units 6 and 12 (effective July 1, 2013, to July 1, 2016, inclusive) memoranda of understanding. Notwithstanding Section 3517.8, this section shall not apply after the term of the memoranda of understanding have applied. For purposes of this section, the memoranda of understanding have expired. For purposes of this section, the memoranda of understanding for State Bargaining Units 7, 16, 18, and 19 expire on July 1, 2016, and the memoranda of understanding for State Bargaining Units 6, 9, and 12 expire on July 1, 2015.

SEC. 8. Section 12440.5 is added to the Government Code, to read:

12440.5. (a) Notwithstanding Section 13340, for the 2016–17 fiscal year, if the Budget Act of 2016 is not enacted on or before July 1, 2016, for the memoranda of understanding entered into



between the state employer and State Bargaining Units 7, 16, 18, and 19 (effective July 1, 2013, to July 1, 2016, inclusive), there is hereby continuously appropriated to the Controller from the General Fund, unallocated special funds, including, but not limited to, federal funds and unallocated nongovernmental cost funds, and any other fund from which state employees are compensated, the amount necessary for the payment of compensation and employee benefits to state employees covered by the above memoranda of understanding until the Budget Act of 2016 is enacted. The Controller may expend an amount no greater than necessary to enable the Controller to compensate state employees covered by the above memoranda of understanding for work performed between July 1, 2016, of the 2016–17 fiscal year and the enactment of the Budget Act of 2016.

(b) If the memoranda of understanding entered into between the state employer and State Bargaining Units 7, 16, 18, and 19 (effective July 1, 2013, to July 1, 2016, inclusive) are in effect and approved by the Legislature, the compensation and contribution for employee benefits for state employees represented by these bargaining units shall be at a rate consistent with the applicable memorandum of understanding referenced above.

(c) Expenditures related to any warrant drawn pursuant to subdivision (a) are not augmentations to the expenditure authority of a department. Upon the enactment of the Budget Act of 2016, these expenditures shall be subsumed by the expenditure authority approved in the Budget Act of 2016 for each affected department.

(d) This section shall only apply to an employee covered by the terms of the State Bargaining Units 7, 16, 18, and 19 (effective July 1, 2013, to July 1, 2016, inclusive) memoranda of understanding. Notwithstanding Section 3517.8, this section shall not apply after the term of the memoranda of understanding have expired. For purposes of this section, the memoranda of understanding for State Bargaining Units 7, 16, 18, and 19 expire on July 1, 2016.

SEC. 9. Section 22871.8 of the Government Code is amended to read:

22871.8. (a) Notwithstanding Section 22871, subdivision (b) of Section 22871.5, or any other provision of this article, the employer contribution with respect to employees in State

Bargaining Units 16 and 19 shall be as described in subdivision (b).

(b) (1) From January 1, 2004, to December 31, 2005, inclusive, the employer contribution for each employee shall be an amount equal to 80 percent of the weighted average of the basic health benefit plan premiums for an active state civil service employee enrolled for self alone, during the benefit year to which the formula is applied, for the four basic health benefit plans that had the largest active state civil service enrollment, excluding family members, during the previous benefit year. For each employee with enrolled family members, the employer shall contribute an additional 80 percent of the weighted average of the additional premiums required for enrollment of those family members, during the benefit year to which the formula is applied, in the four basic health benefit plans that had the largest active state civil service enrollment, excluding family members, during the previous benefit year.

(2) Beginning January 1, 2006, the employer contribution for each employee shall be an amount equal to 85 percent of the weighted average of the basic health benefit plan premium for an active state civil service employee enrolled for self alone, during the benefit year to which the formula is applied, for the four basic health benefit plans that had the largest active state civil service enrollment, excluding family members, during the previous benefit year. For each employee with enrolled family members, the employer shall contribute an additional 80 percent of the weighted average of the additional premiums required for enrollment of those family members, during the benefit year to which the formula is applied, in the four basic health benefit plans that had the largest active state civil service enrollment, excluding family members, during the previous benefit year.

(3) Beginning January 1, 2007, the employer contribution for each employee shall be an amount equal to 80 percent of the weighted average of the basic health benefit plan premium for an active state civil service employee enrolled for self alone, during the benefit year to which the formula is applied, for the four basic health benefit plans that had the largest active state civil service enrollment, excluding family members, during the previous benefit year. For each employee with enrolled family members, the employer shall contribute an additional 80 percent of the weighted average of the additional premiums required for enrollment of

those family members, during the benefit year to which the formula is applied, in the four basic health benefit plans that had the largest active state civil service enrollment, excluding family members, during the previous benefit year.

(c) The employer contribution provided under this section is not applicable unless and until the effective date of the employee's enrollment in an approved health benefit plan.

(d) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5 or Chapter 12 (commencing with Section 3560) of Division 4 of Title 1, the memorandum of understanding shall be controlling without further legislative action, except that if those provisions require the expenditure of funds, the provisions may not become effective unless approved by the Legislature.

SEC. 10. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for the provisions of this act to be applicable as soon as possible in the 2013–14 fiscal year and thereby facilitate the orderly administration of state government at the earliest possible time, it is necessary for this act to take effect immediately.









Approved \_\_\_\_\_, 2013

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*Governor*